



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

MEMORANDUM FOR ALMAJCOM/CE
HQ USAFA/CE

18 Dec 98

FROM: HQ USAF/ILE
1260 Air Force Pentagon
Washington, DC 20330-1260

SUBJECT: Air Force Utilities Privatization Program

The purpose of this memo is to inform you of dramatic changes in the Air Force utilities privatization program. As you know, we originally proposed a measured approach towards privatizing our utilities, studying 251 systems over an 8 year period. OSD has since refined the requirements of this program. Their revised Defense Reform Initiative Directive (DRID) and implementation instructions are at attachment 1. We have increased the number of systems we will assess to 463, now including all Air National Guard systems. Coupled with this increase in scope, the program execution schedule has been significantly accelerated. We must now complete all privatization actions by 30 Sep 03, with the added requirement that all requests for proposals must be ready for solicitation NLT 30 Sep 01. With these objectives in mind, we are reworking the critical budgeting requirements to fund the total privatization program cost of \$83.9M over the next two fiscal years.

We need your support in providing the necessary oversight to execute this aggressive program. Please pass this information to your base civil engineers to facilitate the critical actions needed to ensure prompt execution of this initiative using the process detailed in the *Utilities Privatization Policy and Guidance Manual*. To alleviate some of the burden of execution to our already heavily tasked installations, we have prearranged contracts designed to support the execution efforts of your installations. This contract support will be provided and managed through HQ AFCEA and HQ AFCEE. This program will be centrally funded with decentralized management and execution.

Attachment 2 details the Air Force execution plan for privatizing utilities. The plan identifies installations and systems that will be assessed to determine economic viability for privatization and operational security impacts—there are no other exemptions. The plan takes into consideration the Secretary of the Air Force's desire to assess systems in the southeast region early in the program; completion of on-going efforts; bundling of systems at installations; bundling of installations within each state; bundling of utilities within service regions; and to the extent possible, MAJCOM desires.

Attachment 3 contains a generic statement of work (SOW) which must be tailored to include all systems at each installation to include any systems at support sites tied to those installations (like recreational sites or auxiliary fields). Recommend you seek opportunities to

consolidate all systems at installations within a particular region or state into a single SOW. We anticipate benefits in contracting strategies through the bundling of similar systems. Please provide completed SOWs to HQ AFCESA/CEO by the "SOW Need Date" identified in the execution plan milestone column at attachment 2.

Attachment 3 also contains a detailed list of data each installation will be required to provide to the contractor within 30 days of award of each analysis contract. Request each installation identify a privatization point of contact responsible for gathering this data with submittal of the tailored statement of work and begin collection of the necessary data.

Our point of contact for utilities privatization matters is Col David Sweat, AF/ILEI, DSN 664-4177. HQ AFCESA contracting support POC is Col Randy Pearson, DSN 523-6124. HQ AFCEE contracting support POC is Mr. Dave Farthing, DSN 240-3787.

~ S i g n e d ~

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DCS/Installations & Logistics

Attachments:

1. DoD Guidance on Utilities Privatization
2. AF Utilities Privatization Implementation Plan
3. Generic Statement of Work/Data List